



# Client News

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## This Product Should Be In Every Portfolio

How would you like a product that would give you the benefit of stock market gains but will give you a guaranteed 0 loss when the market post negative returns? There is such a product called Indexed Universal Life (IUL) and it can be a great choice for supplementing retirement planning. This product will protect your assets from market downturns and inflation and it will provide guarantees. It will protect previous returns and give market - driven gains.

There are different phases to retirement planning that

we all have to consider when putting that plan together. There is the accumulation phase, the preservation phase, and the distribution phase. I look at this as a sowing and reaping. When sowing, it is important that you plant in good soil to begin with. If you are young in those accumulation years you may take a little risk and go for the big crop. Get the biggest bang for your buck. You want to capture the market's potential gains during periods of higher returns. The IUL does this by index crediting and saving you from earning mediocre returns from the

usual fixed products (CD's, Money Market, ect.). This product has different crediting options that will allow for greater gains when the market is hot, and when the market goes south, you have a guaranteed floor of zero. Besides having a death benefit, this is the most important guarantee. Furthermore, after posting those positive gains, they are credited into the policy and are **protected from declines in the market**. The principle will not be affected by market fluctuations and your investment continues to grow tax deferred.

## Think About It

Compare that to other variable investment vehicles where you might be losing some of your "fruit" to a freeze so to speak. If you are looking at your statements for the last quarter, your returns may be dismal. If all of your nest egg is at the mercy of the stock market even your past earnings can be wiped out. And your advisor may say something like, "you have to stay in-

vested...you're in this for the long hall".

The fact is, if you don't plan properly for retirement you may not be able to enjoy that fruit you worked so hard to plant. The IUL is appropriate for all phases of supplemental retirement planning because it can provide for cash accumulation, tax deferred growth,

and family protection, and the best guarantee...the principal is guaranteed.

There are regulations to consider so see your insurance advisor or contact me at [don@nwprotection.com](mailto:don@nwprotection.com).

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## Welcome New Clients

We are always happy to gain new clients and we especially appreciate the referrals from our current clients. New Clients in April:

Lisa Kelly—Portland

Jarvis and Christine Campbell—Beaverton

Thank you for your business and we will work hard to give you and your family the protection you need for your future

If you send us a referral and they conduct business with us, we will send you a \$25 gift card.

### Stress Test

“Stress is the fertilizer of creativity”

Jonas Hodges (Jon Voights character, 24)

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## Social Security Dropping

Recent studies show that for the last 10 years while the market was going up, up, up with no end in sight, and the boomers were not right on the door step of age 61 to be retired. They were in the 50s. They didn't feel any anxiousness in any way, shape or form. Recently, the very first boomer filed for Social Security a week ago. Now, they are all starting to show some anxiety about their retirement. Will they be able to have the same kind of income and etc.?

Statistics by Boston's College Center of Retirement research shows that 43% of all households are at risk of being unable to maintain a current standard of living at retirement. So given that, this study shows that while today it is 43%, soon within the next 10 years that will grow to be much higher. In fact, it will be almost as high as 60% when it comes down to generation X, those who were born in the 60s. This shows a dramatic problem will begin because of Social Security perhaps not being there, and people not having near enough money in terms of retirement.

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## Exit Strategies For Small Business Owners

Many small business owners feel it is best if they put all their money back into the business. The best decision is to diversify into others things rather than just in one place. While a small business may not have a lot of extra money, take a modest salary and have a surplus to establish a SEP or and IRA. After all, if your business can not throw off at least this much money after being in business for 5 years or more, you may be putting yourself in a position to work the rest of your life. Planning for the sale of your business to retire may sound like a good idea, but could be a very risky one. I meet with business owners frequently who bought thriving business but economic conditions after time have eroded its value. During good years they buy toys and live the good life and never really save a dime.

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## Long Term Care Cont.

No one likes to think about having a physical or mental frailty that would cause them to need help with daily activities. But about 70 percent of people now over age 65 will at some point require such assistance. Some might decide to hire a home health aide, while others might choose to move into an assisted-living facility or nursing home.

Whatever the decision, long-term care can be expensive. Medicare pays for only some medically related home care and short-term stays in a nursing facility, and nothing at all for long-term care. Medicaid generally covers some

home health care and most nursing-home costs, but you have to exhaust most of your personal assets before you become eligible. It also covers care in a few assisted-living facilities, but most of those costs must be paid with private funds. If you hire a home health aide, expect to pay about \$29 an hour. The average monthly cost for a one-bedroom assisted-living facility in 2008 is \$3,008. Costs are expected to rise at least 5 percent a year for the foreseeable future.

In general, financial planners say that if you have a net worth below \$200,000 to

\$300,000 (not including your home and depending on the cost of care in your region), an LTC policy won't be an affordable option and you will probably rely on government programs should you need long-term care. If you have assets of about \$2 million or more, you should be able to pay for care yourself. If you fall in between, you're a more likely candidate for an LTC policy. For more information contact:

<http://www.medicare.gov/LongTermCare/static/Home.asp>

## Planning Is The Key To Success

Currently, many life insurance carriers are providing Living Benefit Riders that may include Long Term Care benefits. These products allow the insured to access a portion of the death benefit to use for long term care. These riders are usually a no cost benefit.

To make your decision, first consider whether or not you might be facing

years of expensive care. If dementia, neurological disorders, or chronic conditions like diabetes run in your family, it raises those odds (though your family history is no guarantee of your future). If your relatives tend to live a long time, you might also want coverage. "You're less likely to have to worry about needing care down the road if most of your

relatives die quickly from things like heart attacks or cancer," says Carolyn McClanahan, a planner in Jacksonville, Fla. "But if they tend to live until they're 90, chances are they eventually will need some help."

More to come next month.

Contact us at: Gloud

Insurance 503-526-8685

## Liquidity

When a person has cash reserves they can take advantage of opportunities that come along. Suppose someone has to sell their car in a hurry and are willing to take \$3,000 less than book? With cash, snap it up and resell for a profit. Many times in a persons life they will have opportunities to take advantage if they have cash reserves. Cash is like King

Kong!

There are some great places to keep your cash or emergency funds. The ING Orange savings account pays great interest rates. The reason they are able to do this is because they have no buildings. Internet banks can give you more for your money.

Now, I don't make any money telling you that, but

if you wanted to help me out, Allstate has an internet bank too and sometimes they have the best rates. (My wife is an Allstate agent and well...you know).

**KEEP YOUR  
POWDER DRY.  
CONSERVE NOT  
CONSUME.**

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Gloud Insurance

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*Please keep in mind that the information is designed to be of help for you. But is not to be relied upon as advice. It is merely a reminder that there are many choices you have available to you. And that planning is the only way to find the right answers for you, and that planning is the only way to find the right answers for your situation! As with any financial issues, make sure you get the right information before making a decision! If you have any questions, we'll be glad to help you!*

*If there are any topics you would like me to research and place in this newsletter. Additionally, if you would like to be a contributor send me an email.*

## Trivia About Time and Measurement

"Fortnight" is a contraction of "fourteen nights." In the US "two weeks" is more commonly used.

A bathometer is an instrument for indicating the depth of the sea beneath a moving vessel.

A 'jiffy' is an actual unit of time for 1/100th of a second.

A Sphygmomanometer measures blood pressure.

A typical lightning bolt is two to four inches wide and two miles long.

A wind with a speed of 74 miles or more is designated a hurricane.

Any month that starts on

a Sunday will have a Friday the 13th in it.

At 4,145 miles, the Nile River is the longest in the world.

Each unit on the Richter Scale is equivalent to a power factor of about 32. So a 6 is 32 times more powerful than a 5!

Easter is the first Sunday after the first Full Moon after March 21.

England and the American colonies adopted the Gregorian calendar on September 14th, 1752. 11 days disappeared.

Flying from London to New York by Concord, due to the time zones

crossed, you can arrive 2 hours before you leave.

If the sun stopped shining suddenly, it would take eight minutes for people on earth to be aware of the fact.

If you add up the numbers 1-100 consecutively (1+2+3+4+5 etc) the total is 5050.